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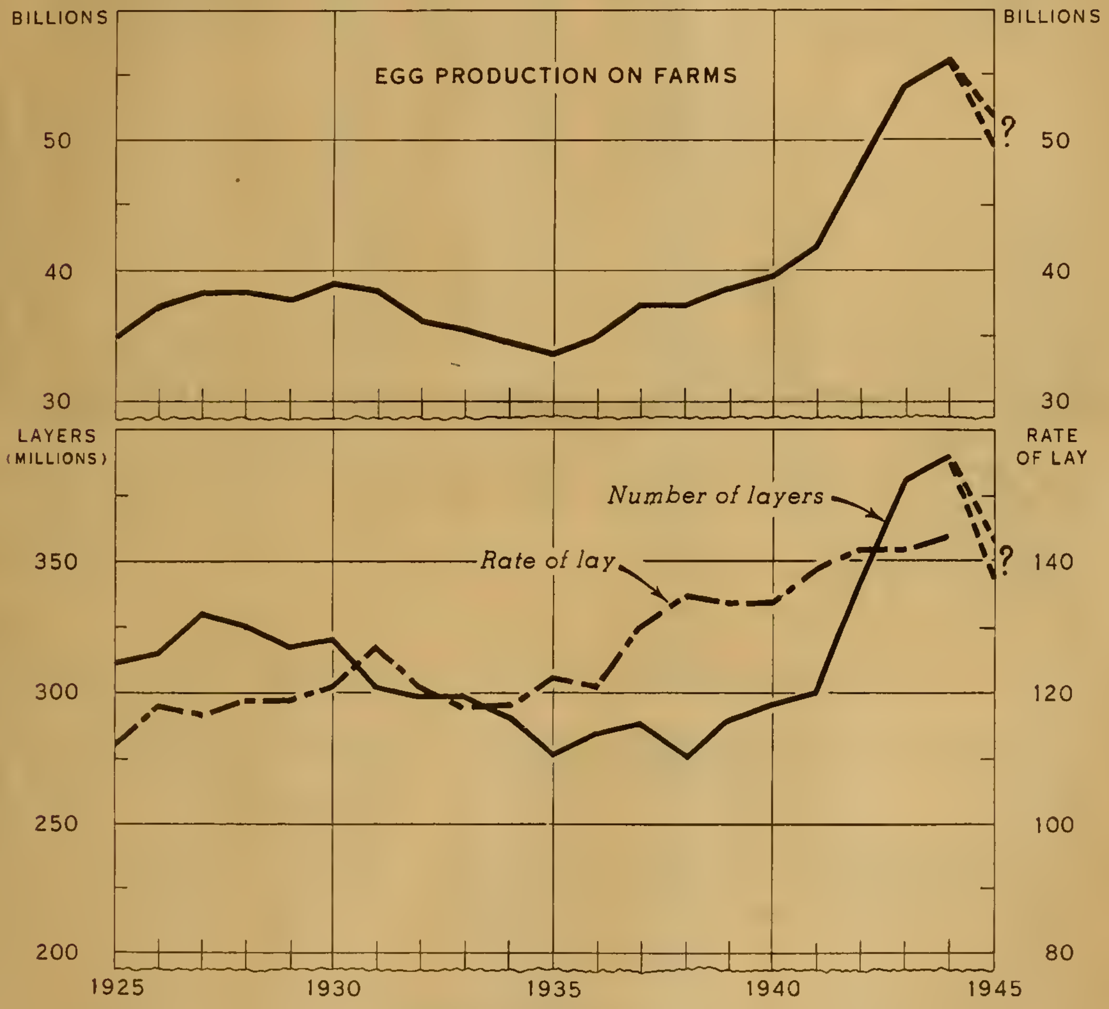
1945 OUTLOOK ISSUE

THE Poultry and Egg SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

PES-94 BAE OCTOBER 1944

EGG PRODUCTION ON FARMS, AVERAGE NUMBER OF LAYERS, AND RATE OF LAY, UNITED STATES, 1925-44*



*1944 DATA ARE TENTATIVE INDICATIONS

U S DEPARTMENT OF AGRICULTURE NEG. 43911 BUREAU OF AGRICULTURAL ECONOMICS

Farm egg production in 1944 is expected to total slightly over 56 billion eggs, 4 percent above the previous record in 1943, and 48 percent higher than the 1933-42 average. The increases in egg production since 1941 were mainly due to sharp rises in the number of layers. However, improvement in the rate of lay has also accounted for part of the increased production. Egg production in 1945 is expected to be 8 to 12 percent less than in 1944.

STATISTICAL SUMMARY

ITEM	UNIT	AVERAGE			1943		1944		CURRENT MONTH AS PERCENT OF	
		PERIOD	AUGUST	SEPTEMBER	AUGUST	SEPTEMBER	AUGUST	SEPTEMBER	YEAR EARLIER	AVERAGE
Layers on farms, number	Million	1933-42	249.8	260.2	317.0	332.7	328.0	341.0	103	131
Number of eggs laid per hen	Number	1933-42	11.33	9.12	12.23	9.98	12.41	10.31	104	113
Total farm production of eggs	Mil. doz.	1933-42	236.8	198.2	323.2	276.1	334.2	292.9	106	148
Stocks, eggs, U. S.:[1]										
Shell	1,000 case	1933-42	7,231	6,069	7,629	6,018	7,663	5,463	91	90
Frozen	1,000 case	1933-42	3,936	3,617	9,163	8,186	9,910	8,864	109	252
Total, shell and frozen	1,000 case	1933-42	11,167	9,577	16,692	14,183	17,683	14,327	101	150
Dried whole eggs	Mil. lb.	--	--	--	--	--	109.1	101.8	--	-
Apparent egg disappearance, civilian:										
Total shell egg equivalent	Mil. doz.	1933-42	271.4	254.2	316.0	290.6	296.6	303.6	104	119
Dried egg production	Mil. lb.	--	--	--	16.2	20.1	34.6	--	213	--
Commercial hatchery operations:										
Eggs set	Million	--	--	--	76.0	63.2	37.8	37.1	69	--
Chicks hatched	Million	1933-42	16.0	14.6	61.6	41.1	24.8	21.6	53	148
Receipts:										
Poultry, dressed, four markets	Mil. lb.	1933-42	25.9	28.7	29.0	41.1	36.3	44.4	108	155
Poultry, live, Chicago	Mil. lb.	1933-42	5.6	6.9	6.2	8.2	6.4	6.9	95	100
Poultry, live, New York	Mil. lb.	1933-42	9.6	12.0	11.3	13.7	11.5	13.6	99	113
Poultry, live, Midwest, per plant	1,000 lb.	1933-42	19.39	25.29	31.63	42.60	38.64	38.66	91	153
Fowl (hens), live, Midwest, per plant	1,000 lb.	1933-42	8.46	8.96	13.98	15.78	16.98	18.68	118	208
Young stock, live, Midwest, per plant	1,000 lb.	1933-42	10.47	15.84	16.96	26.30	17.09	19.64	75	124
Stocks, poultry:[1]										
Broilers	Mil. lb.	1933-42	9.0	11.3	5.8	9.5	9.1	9.8	103	87
Fryers	Mil. lb.	1933-42	3.0	6.6	6.4	9.6	10.6	14.3	161	255
Roasters	Mil. lb.	1933-42	6.1	8.4	7.4	14.8	19.1	27.4	185	326
Fowls (hens)	Mil. lb.	1933-42	13.6	14.8	16.0	23.8	60.8	63.2	266	427
Turkeys	Mil. lb.	1933-42	10.0	6.9	6.2	9.8	22.9	22.0	224	319
Ducks	Mil. lb.	1933-42	8.1	8.4	3.2	3.6	9.9	9.4	261	112
Miscellaneous and unclassified	Mil. lb.	1933-42	14.8	16.0	12.3	16.4	38.4	41.6	269	259
Total poultry	Mil. lb.	1933-42	63.0	71.5	56.3	86.3	160.7	187.5	217	262
Prices received by farmers:										
Eggs, per dozen	Cent	1933-42	21.1	24.4	38.8	41.6	33.0	35.6	86	146
Eggs, parity price per dozen[2]	Cent	1933-42	26.6	31.2	34.6	39.5	35.9	40.3	102	129
Eggs, percentage of parity	Percent	1933-42	79	78	112	105	92	88	84	113
Chickens, per pound	Cent	1933-42	14.4	14.8	25.6	25.2	24.1	23.7	94	160
Chickens, parity price per pound	Cent	1933-42	14.8	14.9	18.7	18.7	19.4	19.4	104	130
Chickens, percentage of parity	Percent	1933-42	96	99	137	136	124	122	90	123
Turkeys, per pound	Cent	1933-42	15.7	17.0	28.8	29.1	30.7	31.1	107	183
Turkeys, parity price per pound	Cent	1933-42	18.9	19.1	23.6	23.6	24.6	24.5	104	128
Turkeys, percentage of parity	Percent	1933-42	83	89	122	123	125	127	103	143
All farm commodities (1910-14 = 100)	Index no.	1933-42	109	112	192	198	193	192	99	171
Chickens and eggs (1910-14 = 100)[2]	Index no.	1933-42	108	109	196	186	174	168	90	164
Wholesale prices, Chicago:										
Eggs, standards, per dozen[3]	Cent	1933-42	31.5	23.7	41.1	42.9	34.4	37.2	87	157
Live heavy hens, per pound	Cent	1933-42	17.8	18.8	24.0	23.9	24.8	24.5	103	130
Live broilers, per pound	Cent	1933-42	18.9	19.9	27.2	25.8	25.6	25.0	97	126
Live fryers, per pound	Cent	1933-42	18.6	18.3	27.2	25.8	26.5	25.0	97	137
Live roasters, heavy, per pound	Cent	1933-42	19.2	18.1	27.2	26.8	26.5	26.8	104	148
Wholesale prices, New York:										
Dressed broilers, 25-30 pounds per dozen, per pound	Cent	1933-42	21.8	21.8	36.5	36.6	37.3	37.5	103	172
Dressed roasters, 48-54 pounds per dozen, per pound	Cent	1933-42	26.1	23.8	36.5	36.6	37.2	37.5	103	158
Dressed fowls, 48-54 pounds per dozen, per pound	Cent	1933-42	20.5	21.8	32.5	32.6	33.6	33.6	103	164
Cash farm income:										
Total marketings	Mil. dol.	1933-42	913	1,098	1,772	1,936	1,690	1,953	101	178
Poultry and eggs	Mil. dol.	1933-42	83	81	185	188	169	194	103	240
Price ratios:										
Chicago, broiler-feed	Lb. feed	1933-42	15.2	16.0	12.7	11.9	11.6	11.4	96	76
Chicago, light roaster-feed	Lb. feed	1933-42	16.1	13.8	12.7	11.9	11.5	11.4	96	83
Farm, egg-feed	Lb. feed	1933-42	15.9	18.1	18.2	19.3	14.6	15.9	82	88
Farm, chicken-feed	Lb. feed	1933-42	10.9	11.0	12.0	11.7	10.7	10.6	91	96
Farm, turkey-feed	Lb. feed	1937-42	12.3	12.8	13.5	13.5	13.6	13.9	103	109
Farm, egg-laying mash	Lb. feed	--	--	--	11.6	12.2	9.1	9.8	80	--
Laying mash, cost per cwt.	Dollar	--	--	--	3.36	3.41	3.64	3.62	106	--
Feed cost per cwt., farm poultry ration	Dollar	1933-42	1.36	1.38	2.13	2.16	2.26	2.23	104	162
Wholesale food prices (1935-39 = 100)	Index no.	1933-42	100.1	102.6	133.8	132.7	132.5	131.7	99	128
Retail food prices (1935-39 = 100)	Index no.	1933-42	101.7	103.3	137.2	137.4	137.7	--	100	136
Prices paid by farmers including interest and taxes (1910-14 = 100)	Index no.	1933-42	130	131	164	164	170	170	104	130
Retail prices (BLS):										
Roasters, dressed, per pound	Cent	1933-42	32.0	32.2	44.3	44.5	44.6	--	101	139
Eggs, strictly fresh, per dozen	Cent	1933-42	36.8	40.7	59.2	62.7	56.5	--	96	154
Nonagricultural employees compensation (1935-39 = 100)	Index no.	1933-42	109.1	113.0	237.6	241.8	263.3	--	111	241

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[1] End of month. Frozen eggs converted to case equivalent.

[2] Adjusted for seasonal variation.

[3] Fresh firsts August and September 1933-42 average, Standards 44 lbs. August and September 1943 and 1944.

THE POULTRY AND EGG SITUATION

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SUMMARY

Egg supplies in 1945 will remain in abundance, especially during the first 6 months of the year. Egg production in 1945 may decline 8 to 12 percent from 1944, but this probably will be more than offset by a drop in lend-lease demands and large carry-over of egg stocks, including dried eggs. Civilian consumption, however, may not drop from 1944 levels if retail prices for eggs show some declines. Average prices received by farmers in 1945 may not be very different than those of 1944, remaining near support levels most of the year. Consequently, the egg-feed price ratio for the coming year may continue below the long-time average. The price ratio probably will average about the same as in 1944, although during the first quarter of 1945 it may be below the corresponding quarter of 1944.

The number of chickens raised in 1945 probably will be smaller than in 1944, reflecting the less favorable egg-feed price ratio during the first quarter in 1945 than in the same period 1944. Accordingly, over-all poultry meat output in 1945 may be slightly less than in the previous year, but probably will be above any year prior to 1942.

The amount of turkey meat produced in 1945 probably will exceed the 1944 record, as a result of favorable returns to growers for the past 2 years and improved feed supplies. Civilian demand for turkey, which was on the upward trend in the late 1930's and which for the past 2 years has been unsatisfied in part because of large military takings, will remain strong. Even if military requirements decline in 1945, civilians probably will be able to absorb available supplies at or near 1944 prices.

-- October 21, 1944

REVIEW OF 1944

BACKGROUND.- The large increase in egg production, both in total quantity and per layer, has been the most notable development in the poultry industry since the beginning of the war. Since 1940 egg production has increased each year over that of the previous year; the percentage increases were as follows: 1941, 6 percent; 1942, 16 percent; 1943, 12 percent. In 1943, total egg production was about 5 billion dozen, 39 percent above the 1937-41 average. Production per average layer on hand rose from an average of 134 eggs in 1940 to 142 eggs in 1943.

From 1940 to 1944, production increases lagged behind prices and the wartime demands for egg products. Civilian egg consumption in 1943 was 343 eggs per person, an increase of 32 eggs over 1942, and 33 eggs more than the 1937-41 average. Drying requirements in 1942 and 1943 took approximately 15 percent of the total egg output, with lend-lease claiming most of the quarter of a billion pounds of egg powder produced. Prices in 1941, 1942, and 1943, reflecting increased domestic and noncivilian demands, were on the upturn. In 1943, prices received by farmers for eggs averaged 38.7 cents per dozen, 110 percent of parity. The 1943 average price was double the 194 average farm price of 19.1 cents per dozen, 70 percent of parity.

Mainly on account of favorable egg prices, the number of chickens raised on farms increased, and in 1943 reached a peak of 934 million head. As a consequence, supplies of poultry meat far exceeded pre-war quantities. However, the meat shortages experienced in 1943 and favorable consumer incomes permitted absorption of the large supplies, and per capita poultry consumption was at the record level of 28 pounds, 56 percent higher than the pre-war average of 18 pounds. Poultry prices were very favorable to producers. In 1943, the average price received by farmers for chickens was 24.4 cents per pound, 130 percent of parity.

Turkey production decreased slightly from 1940 to 1943. With strong military demands and favorable consumer incomes in 1943, the supply fell far short of existing demands. Prices received by turkey growers in 1943 averaged 29.6 cents per pound, about double the 1940 price of 14.0 cents per pound.

Temporary Maximum Price Regulation 22, issued October 3, 1942, brought poultry and eggs under price ceilings. Later in 1942, specific dollars-and-cents ceilings were set for turkeys and poultry. On February 25, 1943, Maximum Price Regulation 333, covering eggs and egg products, was issued. During most of 1943, prices of poultry and eggs at retail levels were at or near ceilings, except those for low quality eggs.

Supplies of Eggs Exceed Demand at Support Prices in 1944

1944 brought a sharp reversal in the balance of supply and demand factors for eggs. In 1941 and most of 1942, supply and demand relationships were fairly well equalized at prevailing prices. By late 1942 and for most of 1943, demand for eggs exceeded supplies at ceiling prices, and during the spring of 1943, Food Distribution Orders 40 and 41, governing the use and storage of eggs, were issued.

At the beginning of 1944 markets were weak, and in early January, the War Food Administration instituted measures to support egg prices in accordance with the requirements of the Steagall Amendment. This amendment provides that the Government shall support the price of eggs, as well as certain other commodities, at 90 percent of parity. WFA expanded purchases of dried eggs for lend-lease, and has carried out various purchase programs for shell eggs from January 1944 to the present. During the first 9 months of 1944, WFA purchased approximately 5 million cases of eggs for price support purposes. As of October 1, WFA still held the equivalent of about 2 million cases, while 3 million cases had been resold to dryers and breakers for use in fulfilling Government contracts or disposed of through distribution programs.

The original Government dried egg program called for the delivery of only about 185 million pounds of dried egg in the period February 1944-January 1945. For price support purposes, additional deliveries of about 62 million pounds have been contracted. It appears that total dried egg purchases by WFA for delivery during the 1944 program will total about 250 million pounds. This quantity of dried eggs would require approximately 740 million dozen of shell eggs (24.7 million cases), or 15 percent of the total egg production.

Two factors explain the excess of supplies over demand, that became increasingly apparent in early 1944. Lend-lease demand for dried eggs declined significantly from the year before, and egg production continued to increase. In 1942 and 1943, lend-lease requirements of 250 to 300 million pounds of dried eggs were not entirely fulfilled. The 1944 requirements for dried eggs were set at about 185 million pounds. Civilian demand in 1944 was about unchanged from the year before, when consumption amounted to 343 eggs per capita. Available supplies for civilian consumption in 1944 will average between 345 and 350 eggs per person. Retail egg prices averaged slightly lower in 1944 than in 1943.

Egg Production in 1944 Exceeds That of any Previous Year

Total egg production (farm plus nonfarm) in 1944 may reach 5.2 billion dozen, 4 percent greater than the record output of 1943. The average number of layers has been greater during the first 9 months in 1944 than in corresponding months of 1943, but because of a 20 percent decrease in chickens raised in 1944 the rate of lay may be less the last three months of this year compared with 1943.

Table 1.- Average number of layers on farms, United States, average 1933-42, 1942-44

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avera
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
933-42: verage	333	326	317	303	287	270	255	249	260	285	311	333	294
1942	369	363	355	343	327	311	295	289	303	340	379	411	340
1943	424	420	411	394	375	356	331	317	333	368	404	436	381
1944	445	441	434	414	389	363	336	323	341				

In 1938, the average number of eggs laid per average layer on hand was 135 eggs. By 1941, this had climbed to 139, and for 1944 this average is tentatively indicated at 144 eggs per layer, about 1-1/2 percent greater than in the previous year. Greater efficiency in management and superior breeding are responsible for the increase.

During the 1943-44 hatching season, participation in the National Poultry Improvement Plan increased. Almost 3-1/2 times as many flocks are now included in the program as in 1935, the year the program began.

Table 2.- Participation in the National Poultry Improvement Plan, United States, 1935-44

Hatchery year	Number of flocks	Average number of hens per flock at beginning of season	Total number of birds at beginning of season	Egg capacity of hatcheries participating
	Number	Number	Thousands	Thousands
1935-36	23,813	148	3,522	38,066
1936-37	30,558	214	6,536	52,592
1937-38	28,820	206	5,948	60,523
1938-39	42,591	203	8,654	75,783
1939-40	50,559	212	10,714	90,579
1940-41	59,136	203	12,011	117,916
1941-42	69,681	223	15,519	135,742
1942-43	69,569	238	16,534	149,427
1943-44	81,844	248	20,332	189,756

Undoubtedly, this program has had an important effect in improving the quality of chicks raised.

Prices Received by Farmers for Eggs at Support Levels During Most of 1944

Because supplies exceeded demand, prices received by farmers for eggs were at or near support levels most of the year. In terms of parity, the average farm prices of eggs for the first 9 months of 1944 were as follows:

Table 3.- Eggs: Farm price, parity price and farm price as percentage of parity, Jan.-Sept. 1944.

Month	Price received by farmers per dozen	Parity price 1/	Percentage of parity
	Cents	Cents	Percent
January	34.6	36.1	96
February	31.9	32.3	99
March	30.1	29.4	102
April	27.1	29.8	91
May	27.2	30.5	89
June	28.1	31.5	89
July	31.2	34.0	92
August	33.0	35.9	92
September	35.5	40.3	88

1/ Adjusted for seasonal variation, using revised seasonal factors shown in September 1944 issue of "Agricultural Prices."

For the year 1944, it is estimated that average price received by farmers for eggs will be about 33.8 cents, 93 percent of parity. This compares with average prices of 38.7 cents per dozen in 1943 and 31.4 cents per dozen in 1942.

Although farm prices were much lower in 1944 than in 1943, retail prices exhibited no comparable decline. During some months of 1944, especially after July, retail prices of top-quality eggs were at or near ceiling levels. The spreads between the prices received by farmers and the Bureau of Labor Statistics retail prices for the first 9 months of 1944 were the highest ever reported in corresponding periods except during 1925 and 1929. Favorable consumer incomes and strong demand for top-quality grades probably explain this situation. Handlers found that they could sell most of their eggs at ceiling prices. In terms of percentages, however, the farm-retail spread was below the spread observed in 1935-39 and in 1940, although above that of 1942 and 1943.

Table 4.- Farm-retail price spread for eggs, United States average 1935-39, 1940-44

Year	Average farm price per dozen	BLS average retail price per dozen	Spread	Spread as percentage of farm price
	Cents	Cents	Cents	Percent
1935-39 average	21.7	35.7	14.0	64.5
1940	19.1	33.1	14.0	73.3
1941	25.0	39.7	14.7	58.8
1942	31.4	48.4	17.0	54.1
1943	38.7	57.2	18.5	47.8
1944 1/	33.8	54.0	20.2	59.8

1/ Indicated October 1.

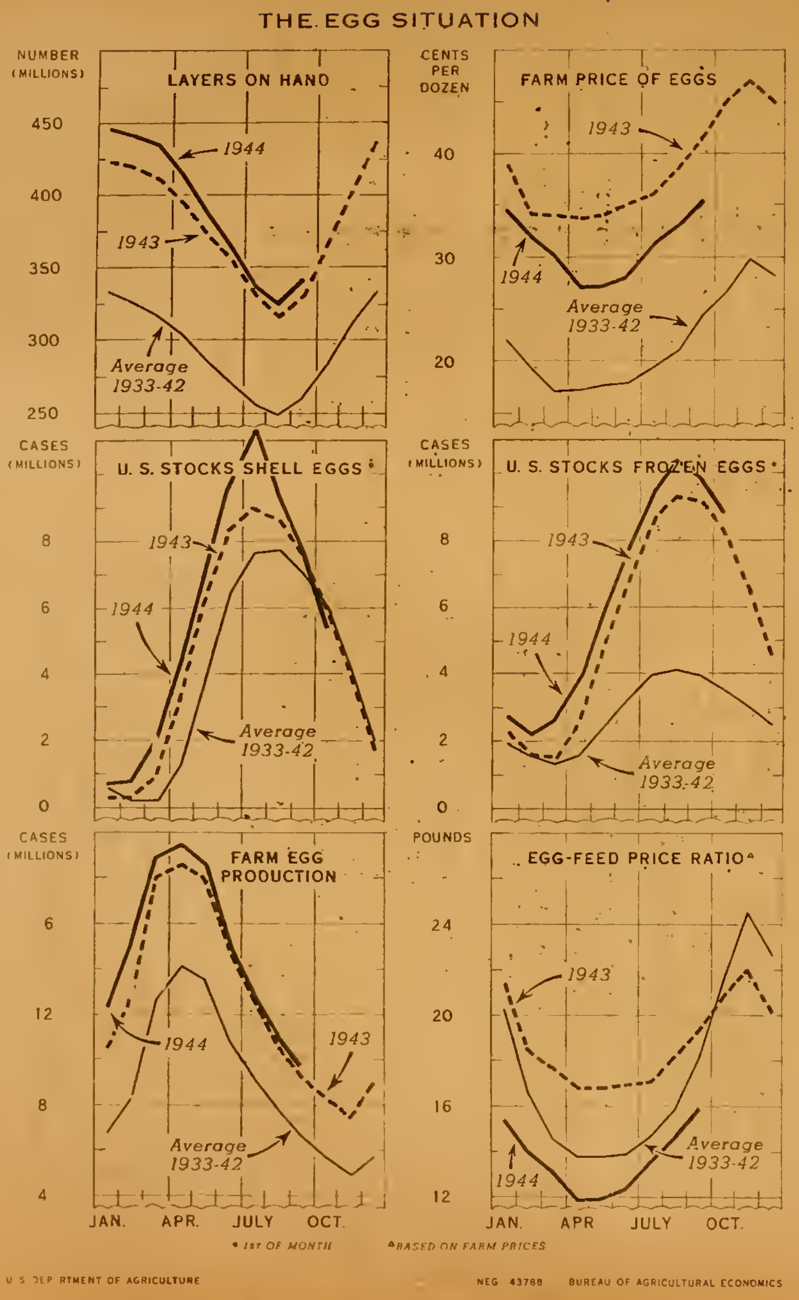
Egg-Feed Price Ratio in 1944 Relatively Unfavorable For Egg Production

With egg prices lower in 1944 than in 1943 and with feed prices higher, the egg-feed price ratio in 1944 was relatively unfavorable for egg production compared with the long-time average. In 1941, 1942, and 1943, the egg-feed price relationship was very favorable for increased production. Despite the less favorable ratio in 1944 egg production increased, reflecting the record number of 934 million chicks raised the year before. However, the number of chickens raised in 1944 was 20 percent less than in 1943.

Table 5.- Egg-feed price ratio, United States, 1933-42 average, 1942-44.

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Aver.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
933-42 verage	20.2	16.6	14.5	13.8	13.8	13.9	14.7	15.9	18.1	21.5	24.5	22.6	17.5
1942	19.8	16.8	15.5	15.3	15.7	16.4	17.7	19.3	20.7	23.1	24.2	23.5	19.0
1943	21.4	18.4	17.7	16.8	16.8	16.9	17.1	18.2	19.3	20.9	22.0	20.1	18.8
1944	15.3	14.1	13.2	11.8	11.8	12.3	13.6	14.6	15.9				

Because of unfavorable prices during the 1944 spring hatching season, commercial hatcheries produced fewer chicks than in 1943. For the first 9 months of 1944 the number of chicks hatched was 24 percent below 1943 but 41 percent above the 5-year (1937-41) average. Hatchings were especially low after June, reflecting declines in the demand for both laying flock replacements and commercial broiler stock.



* 1st OF MONTH

△BASED ON FARM PRICES

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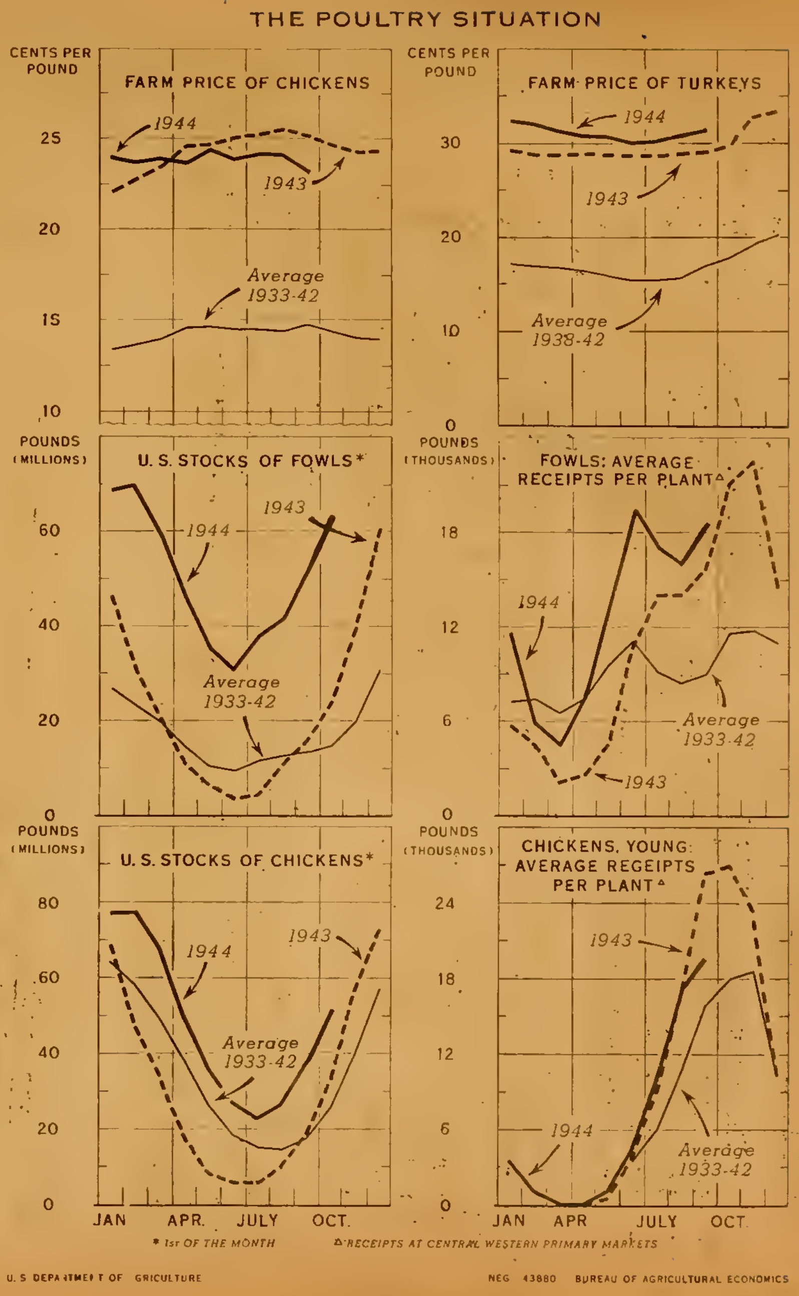
FIGURE 1



* 1st OF THE MONTH

△ RECEIPTS AT CENTRAL WESTERN PRIMARY MARKETS

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FIGURE 2

Poultry Meat Supplies in 1944 Below those of 1943

The amount of poultry meat available during 1944 is approximately 3.3 billion pounds (dressed weight). This quantity is 13 percent below the 3.8 billion pounds, dressed weight, produced in 1943 but is 39 percent above the 5-year (1937-41) average. The decline in production from the previous year was due primarily to the 20 percent decline in the number of chickens raised.

Despite smaller poultry meat supplies than in 1943, prices thus far have been weaker than in the year before. Prices received by farmers for chickens in the first 9 months averaged 23.9 cents per pound for live birds compared with the 1943 average price of 24.4 cents. More favorable supplies of red meat in the season 1943-44 are, at least, a partial explanation for the weaker poultry prices. Nevertheless, wholesale and retail prices for the best grades and weights were at or near ceilings most of the year.

Turkey production for 1944 is indicated at slightly over a half billion pounds, 9 percent more than in 1943 and 2 percent in excess of the previous record established in 1942. Favorable returns to turkey growers in 1943 and slightly easier feed supplies, as well as strong civilian and military demand, stimulated this record production.

OUTLOOK

Egg Production in 1945 will be Significantly Smaller than in 1944

Egg production in 1945 may be 8 to 12 percent below 1944. On October 1, 1944, potential layers on farms were 7 percent fewer than in October 1943. On the basis of past relationships, this would probably result in a 7 to 10 percent reduction in the number of layers on farms January 1, 1945, as compared with the previous January 1. A reduction in the number of chickens raised in 1945 would result in a slightly greater percentage decrease in the average number of layers for the year than the decrease indicated for January 1 numbers. Assuming an unchanged rate of lay in 1945 compared with 1944, production would change in about the same degree as flock numbers.

It is possible, however, that the 1945 rate of lay may not equal the 1944 record. The exceptionally favorable weather of 1944, especially during the winter months of January and February, may not be repeated. Furthermore, indications on October 1, 1944, were that the upward trend in the ratio between the number of pullets to hens on farms January 1, 1945, may be adjusted to the point of having more hens than in 1944.

Table 6.- Hens and pullets on farms January 1 as percentages of the total, average 1933-42, annual 1942-44

Year	Hens	Pullets	Total
	Percent	Percent	Percent
1933-42 average	37.1	62.9	100.0
1942	35.1	64.9	100.0
1943	34.7	65.3	100.0
1944	33.0	67.0	100.0

Civilian Consumption of Eggs to Remain High; Declines in Noncivilian Requirements Expected

There may be a moderate decline in consumer income in 1945, which, on the basis of past relationships, would be accompanied by a slight decline in consumer expenditures for eggs. Purchases for lend-lease probably will be reduced. With relatively large supplies of eggs available for civilian consumption, prices will tend to decline. The spread between farm and retail prices was much wider than usual in 1944, and a moderate decline in retail prices could come about without affecting farm prices appreciably. However, some decline in farm prices is likely, especially in the first quarter of 1945 compared with a year earlier. With a drop in the retail price of eggs, it is probable that civilian consumption in 1945 would remain at about the same per capita level as in 1944, when civilians will probably consume between 345 and 350 eggs.

The 1945 demand for dried eggs for lend-lease purposes probably will be significantly smaller than in 1944. WFA has purchased thus far about 246 million pounds of dried whole eggs for delivery during the 1944 purchase program (February 1944 to January 1945). Purchases may total about 250 million pounds for the year. WFA-owned dried egg stocks at the end of 1944 expected to be 65 to 100 million pounds. This large stock position, together with the equivalent of about 20 million pounds of dried egg held by WFA in shell and frozen form, and the fairly large inventories of dried egg in the United Kingdom, would indicate a sharp decline in dried egg purchases in the coming year for lend-lease.

Feed Supplies More Abundant for the Coming Year; Egg-Feed Price Ratio Probably Will Remain Below Average

Reports continue to indicate a record corn crop and presage ample supplies of grain for the feed-year 1944-45. Assuming a decrease of 13 to 15 percent in the number of grain-consuming animals on the farms January 1, 1945, compared with the year before, there will be about 1.06 tons of feed grain per animal unit compared with the 1937-41 average of 1.03 tons. With only moderate changes in feed prices and egg prices in prospect from 1944 levels, continuation of low unfavorable egg-feed price ratios similar to those in 1944 might be expected. For the first 9 months of 1944, the egg-feed price ratio averaged 13.6 compared with the corresponding 9 months 10-year (1933-42) average of 15.7.

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1945 Chicken Meat Supplies May be Lower Than in 1944; Demand Probably Will Remain Fairly Strong

Chicken meat supplies in 1945 may be below those of 1944, but probably will exceed chicken supplies of any year prior to 1942. Farm egg prices in the first quarter of 1945 may be below the corresponding quarter of 1944, when prices averaged 99 percent of parity. The egg-feed price ratio probably will be less favorable for egg production than in the first quarter of 1944, or at least below the long-time average. The egg-feed price ratio partially reflects profitability in producing eggs. A change from the previous year during the first quarter would affect the number of chickens raised. As a consequence, it is expected that fewer chickens will be raised in 1945 than in 1944.

The favorable feed outlook in 1945, however, may lead to the production of a larger number of broilers than in 1944. Production of broilers is carried on primarily in specialized areas located in deficit feed regions. The availability of feed and the level of the chicken-feed price ratio are important factors in broiler production. Both of these factors probably will be favorable for increased broiler production in 1945. However, since broiler production accounts for only about 17 percent of the chicken meat produced, these increased quantities probably will not offset the decreases in meat from other chickens.

If 1945 consumer income is only moderately below that of 1944 but higher than that in 1943, domestic demand for chicken meat may remain fairly strong. Supplies of red meat in 1945 probably will be less than in 1944. Hence, with reduced supplies of chicken meat, prices of chickens probably will remain close to 1944 levels. In 1943, when supplies of red meat were relatively short, chicken meat consumption was at a record level of 28 pounds per capita despite the highest farm price for chickens in 3 years

Record Turkey Production in 1945 Possible

Turkey production in 1945 may exceed the record half billion pounds produced in 1944. Favorable returns to growers in 1943 and 1944, and slightly easier feed supplies are factors which may aid in bringing this about.

Civilian demand for turkey meat, which has not been met in full during the past 2 years partly because of large military purchases, probably will remain strong in 1945. Per capita consumption of turkey meat prior to the outbreak of the war was on an upward trend and this trend probably will continue when sufficient supplies of turkey are available. Even if there should be a decline in military requirements, civilians probably will be in a position to absorb all the turkey produced at, or slightly below, 1944 prices.